

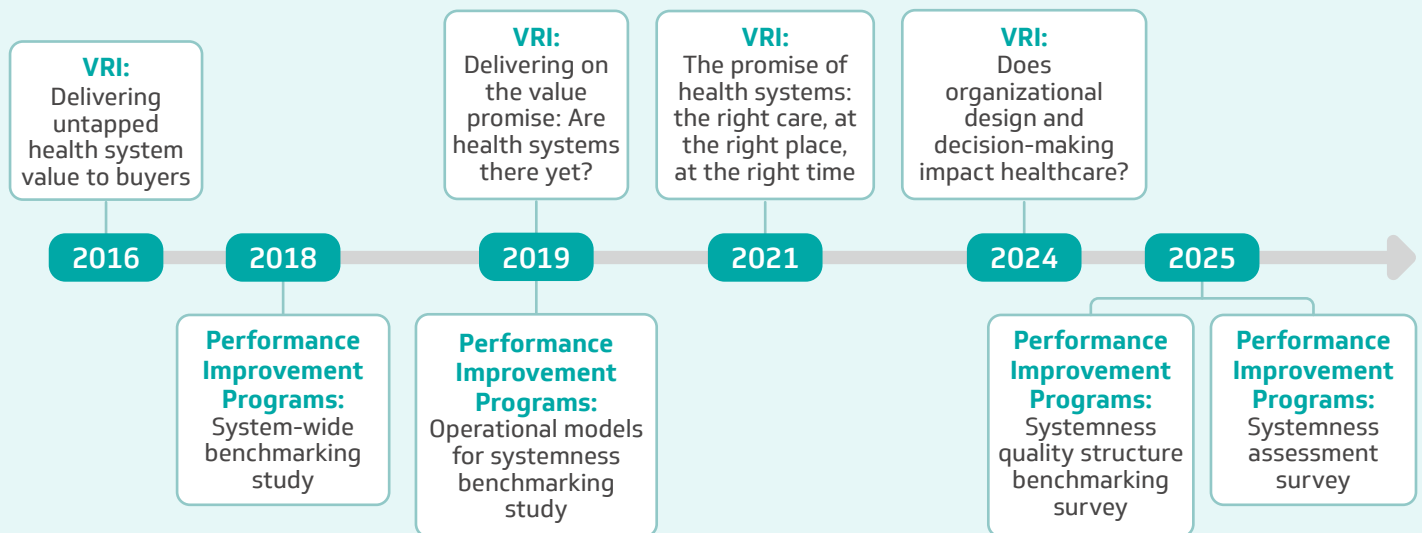
# 2025 compendium on systemness in healthcare

*A collection of insights, frameworks and member examples advancing enterprise alignment and performance*

## The state of systemness—How did we get here?

For more than a decade, Vizient Member Networks and Performance Improvement Programs—in collaboration with the Vizient Research Institute (VRI)—has examined whether health systems deliver on their promise of providing the right care, at the right place, at the right time. Through a series of landmark studies, the findings have been consistent: Progress toward true systemness has evolved at different paces, and while aspirations remain high, the full potential of integrated system performance continues to unfold.

### Advancing systemness to enhance performance: 2016–2025



Vizient studies have traced how the systemness journey has matured—from measuring variation and value to exploring organizational design, decision-making and alignment. The timeline illustrates this progression across VRI research, Member Network discussions and Performance Improvement initiatives, highlighting both the gains achieved and the opportunities that remain.

**“Aligning as a system is not just a necessity but an opportunity to increase the impact on our communities when they need us most.”**

— Gerald “J.P.” Gallagher

2016

### Promises kept

- Wide variation persisted across and within health systems on key measures such as post-acute care, repeat imaging and end-of-life care.
- Hospitals within the same system often demonstrated three- to four-fold differences in utilization, undermining consistency and efficiency.

2019

### Delivering on the value promise

- Variation in utilization increased in many areas, revealing that forming a system and operating like one aren't the same.
- Some gains were achieved, such as reduced variation in post-acute utilization following bundled payment incentives.
- A Member Networks Performance Improvement Programs Systemness Benchmarking Survey across 72 facilities found most systems in an emerging phase—marked by decentralized decision-making, siloed EMRs and limited cultural cohesion.
- Fewer than 15% reported a unified culture, and only 10% had achieved true care coordination.

2021

### The promise of health systems

- Expanding the focus to “right place” and “right time” revealed persistent variation in surgical site selection and timeliness of cancer treatment.
- High-risk procedures were still being performed in low-volume sites, demonstrating that health systems haven't leveraged structural scale to deliver consistent outcomes.

## Systemness as a strategic imperative

The evidence is clear: the promise of systemness continues to take shape. To deliver value and ensure sustainability, health systems are increasingly moving beyond consolidation toward accountability, proficiency and enterprise-level alignment.

**The U.S. healthcare landscape has shifted dramatically—from 167 health systems in 1980 to 404 by 2024.** Nearly 70% of hospitals and more than three-quarters of beds are system-affiliated, underscoring systemness as central to care delivery. Systemness is no longer a structure—it's a strategic imperative.

As organizations face workforce shortages, Medicaid funding constraints and rising uncompensated care costs, the ability to think and act as one system has become a strategic differentiator. Systemness isn't a fixed end state but a continuous journey—integrating people, processes and resources around shared goals. The pursuit of alignment delivers consistent, high-quality care, adaptability to market and financial pressures and long-term operational and financial resilience.

This report serves as both a progress check and a call to action—an invitation for health system leaders to confront persistent gaps, accelerate the maturation of systemness and redefine what it means to work better together in an increasingly complex landscape.



# Building a common language and framework: A journey of value discovery

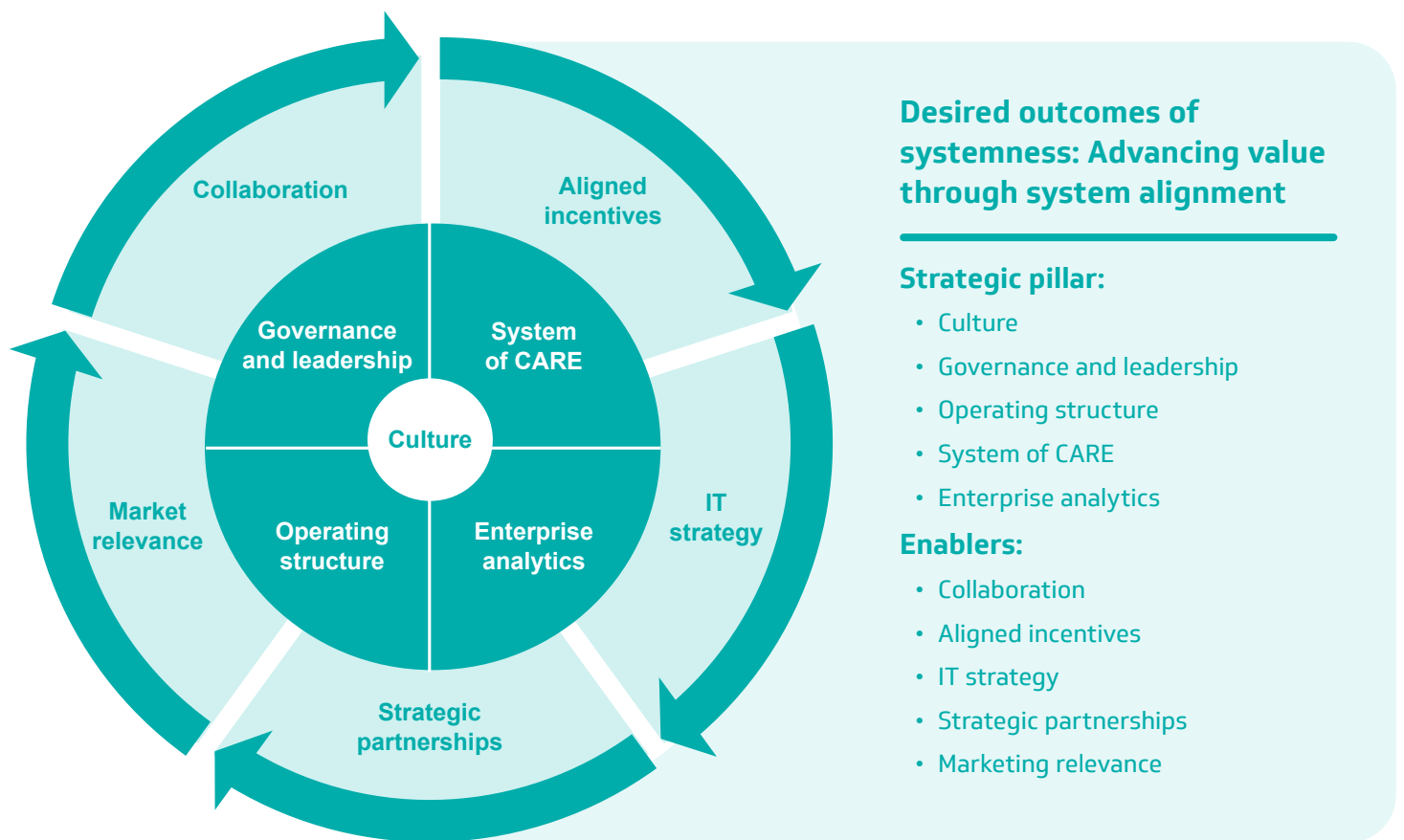
## Systemness: achieving more together

Throughout 2024–2025, Vizient Member Networks convened executive leaders from across the country to exchange insights on the journey toward systemness. This section reflects that collective effort—capturing a shared framework and the data, research and leadership insights that illustrate both the challenges and opportunities of aligning care at scale.

Defining systemness through a common framework is essential to move from concept to measurable enterprise capability. Health system leaders identified systemness as a top strategic priority—not only to improve efficiency but to ensure long-term relevance in a changing healthcare economy. In response, Vizient developed a Systemness Framework in 2025 to establish a common language for dialogue, and performance improvement across Member Networks and Performance Improvement programs.

This framework serves as the foundation that drives Vizient’s work in helping providers accelerate systemness.

### Vizient Systemness Framework: culture as the core of system alignment



The Vizient Systemness Framework defines strategic pillars—culture, governance and leadership, operating structure, System of CARE and enterprise analytics—supported by execution-focused enablers that translate strategy into action. Together, they represent a culture-driven approach that unites people, processes and technology to deliver consistent, high-value care.

Building systemness begins with a shared framework, but success is measured in results. When effective enablers support these imperatives, organizations move from intent to impact, realizing greater efficiency, consistency and resilience.

Systemness translates strategy into measurable outcomes that reflect enterprise maturity: economies of scale, clinical standardization, improved quality, reduced variation, workforce resilience and market differentiation. These outcomes represent the realized value of systemness—the ability to deliver coordinated, high-quality care while maintaining financial sustainability.

## Vizient's role in accelerating systemness

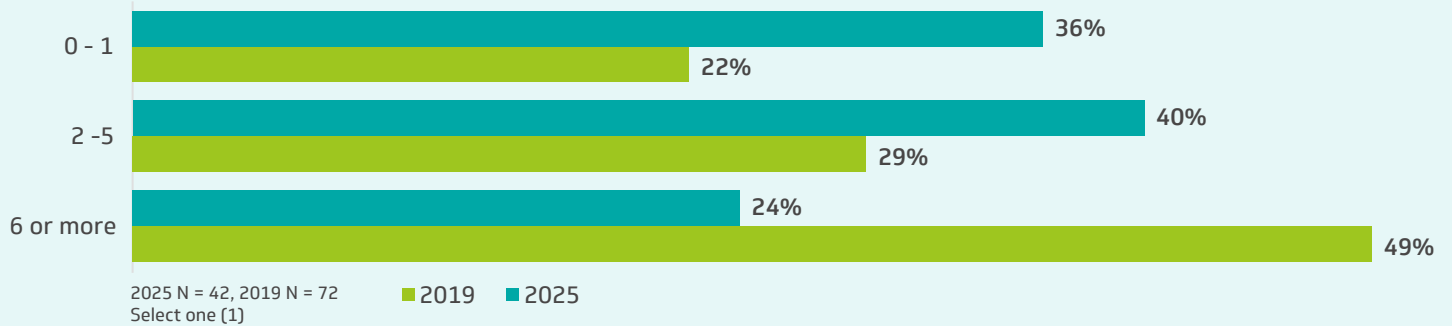
Building on decades of research, collaboration and benchmarking, Vizient helps health systems translate the concept of systemness into measurable enterprise performance—connecting data, strategy and peer learning to accelerate maturity and alignment.

### 1. Vizient 2025 systemness assessment: Key findings

#### System growth continues, but pace has slowed

*New acquisitions, affiliates, partnerships in 3 years*

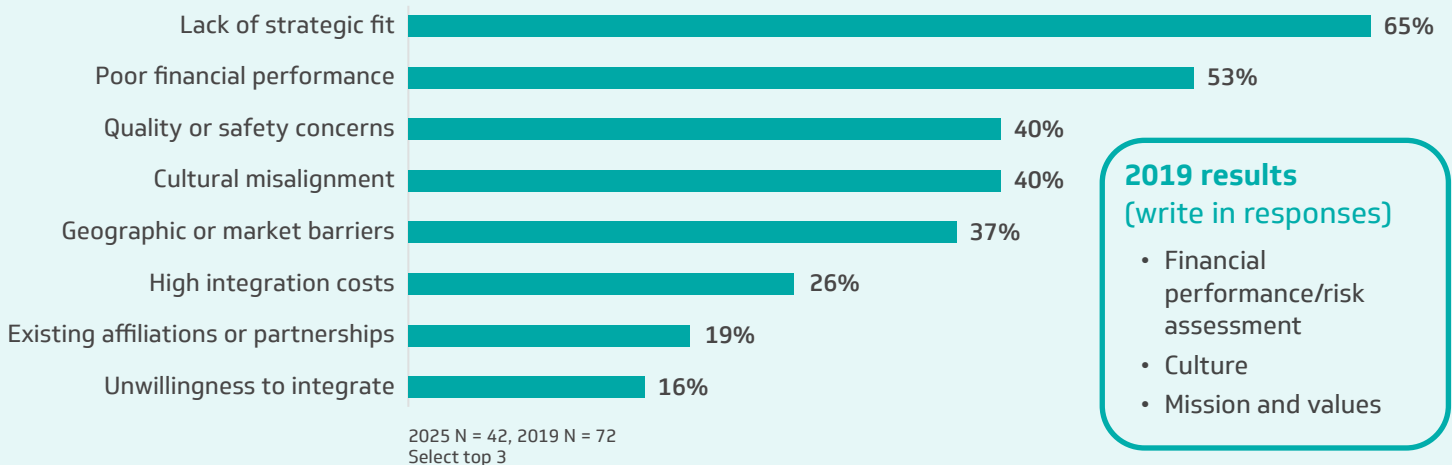
**Key Insight:** Most organizations added 2+ entities (64%) but rapid growth 6+ declined



The 2025 Vizient Systemness Assessment Survey (N=42) shows that while growth and integration remain active, the pace and focus have evolved. Sixty-four percent of organizations added two or more entities in the past three years, yet those adding six or more dropped from 49% in 2019 to 24% in 2025. This mirrors Kaufman Hall's Q1 2025 M&A Report, which noted only five announced transactions—the lowest in recent history. For many systems, the emphasis has shifted from building bigger to making what already exists work better together.

#### Top concerns that limit growth

*Select top 3 reasons to not integrate*

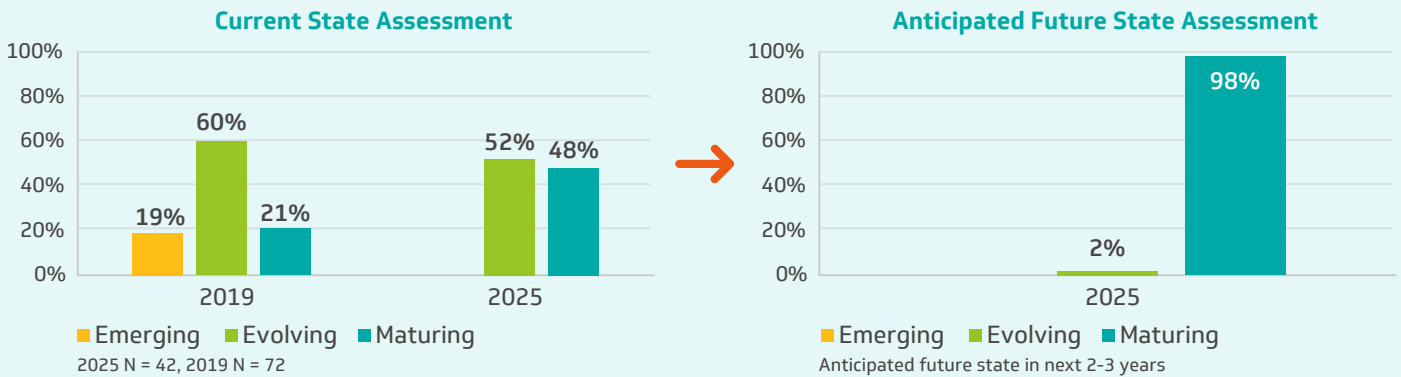


Leaders identified four primary factors shaping integration efforts: alignment of strategy (65%), financial performance (53%), quality and safety priorities (40%) and organizational culture (40%). These findings echo those from 2019 and highlight the need for careful integration planning, where clinical, operational and cultural alignment must move in concert.

## 2. Systemness evolution: From progress to ambition

### From Emerging to Maturing:

Acceleration Since 2019



Since 2019, systems have demonstrated progress toward maturity. Then, most organizations were starting their journey to systemness with 19% in the emerging phase, 60% evolving and 21% maturing. By 2025, 52% identify as evolving and 48% as maturing—and 98% anticipate reaching maturing status within the next two to three years, reflecting both bold ambition and optimism about the collective path ahead.

### 3. What the data reveal: Vizient systemness survey insights

Vizient member discussions and benchmarking data reveal clear priorities. Health systems focus on strategy and transformation, while working to overcome challenges tied to clinical care variation, local autonomy and culture. Success is defined by consistent patient experience, unified culture and collaboration. Across the strategic pillars the findings were:



**Governance and Leadership** is the most mature pillar but has opportunity in succession planning and span of control.



**System of CARE** demonstrates strength in quality and safety but opportunity in clinical scale and seamless experience.



**Enterprise Analytics** shows the greatest potential for advancement.



**Operating Structure** shows strength in capital capacity and opportunity in standard work and margin growth and sustainability.

### 4. What the data reveal: Vizient Research Institute 2024 study on decision-making

The Vizient Research Institute's 2024 study, [Does Organizational Design and Decision-Making Impact Health System Performance?](#), examined how decision-making structures influence performance across more than 125 multi-hospital systems. It found that:

#### Centralization and clarity matter.

Most systems reported centralized, hierarchical decision-making, especially for clinical and operational decisions. However, many still lack clarity on who owns which decisions, limiting consistency and speed.

#### Leadership perspectives vary.

Differences in executive perceptions highlight opportunities to strengthen alignment: 77% of CEOs viewed operations as centralized, compared to only 47% of COOs. Such disconnects can hinder governance alignment and enterprise cohesion.

#### Impact on system performance.

While centralization alone doesn't guarantee cost savings, the study found that centralized and hierarchical systems outperform decentralized peers on quality and safety metrics—scoring up to 20 percentage points higher in Vizient's Quality & Accountability rankings.

#### Implication for systemness.

Structural integration isn't enough. Clear decision rights and empowered leadership are essential to translate scale into consistent quality, operational discipline and true systemness.

## Member insights reinforce systemness as a performance accelerator

Findings from the 2024–2025 Vizient Member Networks Systemness Benchmarking Survey highlight where health systems are making the greatest progress—and where opportunity remains to accelerate maturity and consistency across the enterprise.

### Key takeaways



#### Centralized decision-making drives results.

Systems that combine centralized and hierarchical decision structures are significantly more likely to achieve top performance in Vizient Quality and Accountability rankings.



#### Systemness maturity is accelerating.

Most organizations have moved from “emerging” toward “evolving” phases of systemness and expect to operate fully as one enterprise within the next two to three years.



#### Centralizing quality strengthens outcomes.

Organizations reporting 15 or more centralized quality departments saw the lowest percentage of cases with complications, underscoring the link between structure and performance.



#### Standardization reduces variation.

Health systems with a standardized escalation process demonstrated a lower length-of-stay index, showing how consistent processes improve efficiency and quality.



#### Breadth of engagement continues to expand.

More than 118 organizations participated across Member Networks studies, reflecting broad collaboration and a shared commitment to advancing systemness across the Vizient community.

## 5. Systemness as a strategic imperative for the future

### Systemness is a necessary strategic imperative to navigate the future landscape

#### Legislative impact

- Financial pressure and margin management
- Systemness and expanded footprint
- Technology as the backbone of transformation
- Leadership and workforce of the future



#### Systemness drivers

- Sustainability through portfolio diversification (margin growth, payer strategy)
- Governance and care delivery realignment (service optimization, decision-making)
- System-wide technology and advanced analytics (AI enabled solutions, real-time data/benchmarking)
- Future leadership roles require different skills (Succession planning, span of control, use of AI)

Financial, technological and workforce pressures—intensified by H.R.1 and shifting market forces—make systemness a strategic imperative, not just a structural choice. Key drivers include portfolio diversification, governance and care realignment, systemwide analytics adoption and leadership readiness. In this environment, systemness becomes the lever for resilience and long-term performance.

As systems reorient around these drivers, leadership itself is evolving. The Chief Quality Executive (CQE) stands at the forefront, redefining quality as a strategic asset rather than a compliance function.

## 6. The Future Chief Quality Executive: Leading the systemness agenda

As digital disruption, workforce challenges and value-based care reshape healthcare, the Chief Quality Executive (CQE) has emerged as a strategic enterprise leader—bridging clinical excellence and system performance.



### Foundational pillars of CQE leadership

- Strategic and visionary leadership
- Emotional intelligence and relational skills
- Systems thinking: Agility, change management and implementation science
- Financial acumen
- Digital and technological literacy
- Commitment to health equity, ethics and patient-centered care
- Workforce leadership adaptability and optimization
- Crisis management and resilience building
- Policy and regulatory knowledge
- Research and evidence-based practice leadership

Through the Vizient System CQE Network, ten foundational competencies were identified, led by three core pillars: strategic and visionary leadership, emotional intelligence and relational skills, and systems thinking and agility. These are reinforced by competencies in financial acumen, digital literacy, health equity, workforce adaptability, policy influence and evidence-based leadership. Collectively, they define the CQE as the connector between vision and execution—a leader driving measurable improvement across the enterprise.

Despite meaningful progress, three non-negotiable competencies have emerged as central to advancing enterprise quality leadership: strategic vision, emotional intelligence and systems thinking. Successful CQEs integrate these capabilities daily—translating complex challenges into coordinated action. Strengthening and sustaining these core competencies call for structural elevation and intentional development of the CQE role.

To explore this work in depth, see Vizient's [The Future Chief Quality Executive: Driving Enterprise Strategy, Impact, Outcomes-Based Value and Excellence](#), which provides a roadmap for CEOs and quality leaders to operationalize systemwide quality strategy.

To realize the full potential of systemness through quality, CEOs should:

- Elevate the CQE as a core enterprise leader with direct CEO and board access.
- Invest in leadership pipelines that strengthen the three critical pillars.
- Integrate CQE leadership across all systemwide initiatives—from digital transformation to mergers and acquisitions.

Ultimately, quality is the currency of systemness. Embedding the CQE at the center of strategy ensures systemness translates into sustainable performance, trust and resilience.

Taken together, these insights show that the path to systemness isn't theoretical—it's operational, measurable and deeply human. The next section turns from research and frameworks to real-world examples, highlighting how Vizient providers are translating these principles into action.



# Member examples: Systemness in action

## Turning strategy into enterprise alignment and measurable impact

Across Vizient Member Networks, organizations are redefining what it means to operate as one system. The following examples highlight how members are advancing systemness across governance and leadership, operating structure, System of CARE, and enterprise analytics—illustrating improved decision-making, quality, financial strength and a unified culture of accountability.

### Governance and leadership: Emplify Health’s high-performance operating model

*Aligning two legacy systems through shared governance and unified purpose*

#### OVERVIEW

Emplify Health was created through a merger of equals between Bellin Health and Gundersen Health System, uniting two high-performing, community-based organizations serving Wisconsin, Michigan, Iowa and Minnesota. The integration focused on aligning leadership, care models and infrastructure to preserve regional identity while operating as a single, agile delivery network.

#### Systemness in action

- Guided by principles of cultural respect, empowerment and zero disruption to patient care.
- The high-performance operating model framework defines three types of work—standard, operational priorities and strategic—creating clarity and discipline across functions.
- Leadership reinforced a “lead with empathy and purpose” philosophy through transparent communication, shared learning and consistent engagement.

#### Outcomes and impact

- Seamless operational integration with no service disruption.
- Unified governance and execution models reduce duplication and improve enterprise wide performance management.
- Accelerated digital transformation, including ERP and EHR initiatives for enterprise visibility and efficiency.
- Sustained clinical excellence and community trust through shared mission and values.

#### Insights and next steps

- Key learnings: Systemness is an ongoing journey requiring structured flexibility and trust-based communication.
- Next steps: Expand the high-performance operating model framework across additional functions, leverage shared data for predictive analytics and explore new opportunities for scale in virtual care, automation and workforce development.

(Source: Vizient System Chief Medical Executive + Pharmacy Executive Breakout, April 2025)

### Operating structure: Rush Copley’s path to “One RUSH”

*Balancing local autonomy with enterprise integration*

#### OVERVIEW

Rush Copley Medical Center, a 210-bed community hospital in Aurora, Illinois, formally integrated into the Rush University System for Health (RUSH) in 2017 after decades of affiliation. This alignment positioned the medical center as a key access point for systemwide strategy and regional delivery innovation while maintaining deep community roots.

#### Systemness in action

- Adopted the “One RUSH” vision centered on clinical quality, consistent patient experience and shared infrastructure (Epic, Workday, supply chain and telehealth).
- Employed a layered fiduciary governance model with equitable board representation across all hospitals.
- Empower local leaders to adapt system strategies to community needs through workforce engagement and tailored health initiatives.

#### Outcomes and impact

- Enhanced operational alignment across academic and community hospitals.
- Improved financial performance through shared accountability and efficiency.
- Strengthened cross-site clinical programs in oncology, cardiology and women’s health.
- Sustained staff engagement and Magnet recognition during system integration.

#### Insights and next steps

- Key learnings: Integration requires emotional intelligence, clear communication and humility from leaders.
- Next steps: Advance shared platforms and analytics, deepen physician alignment and expand community health strategies.

(Source: Vizient Member Networks, Site President Meeting, March 2025)

## System of CARE: University of Chicago Medicine’s pharmaceutical stewardship strategy

*Leveraging data and collaboration to advance clinical standardization and supply resilience*

### OVERVIEW

University of Chicago Medicine is transforming pharmaceutical stewardship by uniting pharmacy, clinical and supply chain leaders under a systemwide strategy. In response to rising drug costs and supply disruptions, the organization implemented scalable, data-driven interventions to optimize medication use, reduce variation and strengthen resilience.

#### Systemness in action

- Data integration and workforce optimization: Leveraged Vizient CDB/RM analytics to identify high-impact opportunities and reallocate resources toward higher-value clinical work.
- Strategic supplier governance: introduced supplier scorecards and cost thresholds, aligning vendor behavior and achieving over \$1 million in cost avoidance.
- Clinical standardization: implemented formulary management and stewardship playbooks across sites to reduce variation and sustain quality under pressure.

#### Outcomes and impact

- Reduced inpatient drug expenses and improved continuity of care during supply shortages.
- Embedded stewardship practices across settings, maintaining compliance and quality while reducing variation.
- Enhanced antimicrobial oversight through EMR-driven decision support and multidisciplinary collaboration.

#### Insights and next steps

- Key learning: Uniting pharmacy and supply chain leadership can drive enterprise wide standardization.
- Next steps: Expand cross-functional governance models to manage high-cost medications and support predictive supply management.

(Source: Vizient System Chief Medical Executive + Pharmacy Executive Breakout, March 2025)

## Enterprise analytics: Freeport Health Network’s journey of excellence

*Turning data into dialogue to drive systemwide improvement*

### OVERVIEW

Freeport Health Network, a 100-bed community hospital in northwest Illinois, transformed its approach to quality improvement through the Vizient Clinical Data Base and Quality & Accountability Study. The organization’s “Journey of Excellence” (JOE) initiative translated data into a shared story of performance, accountability and progress.

#### Systemness in action

- Introduced a color-coded “JOE Scorecard” that simplified complex quality data for leaders and board members.
- Integrated monthly Vizient data across six domains to refresh insights within 6–8 weeks of care delivery.
- Used QR codes to link staff directly to micro-learning content and video updates tied to JOE metrics.

#### Outcomes and impact

- Unified all legacy scorecards into a single “source of truth” tied to strategic goals.
- Linked quality performance to provider incentives, driving engagement and shared accountability.
- Extended ownership of quality outcomes beyond the hospital to ambulatory and community settings.

#### Insights and next steps

- Key learnings: Data alone is insufficient—engagement and storytelling are critical to turning insights into action.
- Next steps: Include integrating ambulatory-specific measures into JOE and aligning community health priorities directly with systemwide scorecard targets.

#### Governance education

Freeport Health Network also invests in governance development through the Vizient Governance Academy (VGA), ensuring board members and executives share a common framework for oversight and decision-making. The VGA provides real-time assessments, actionable plans and continuous learning to strengthen governance and sustain system-level accountability.

(Source: Vizient Quality Medical Executive Breakout, April 2025)



## Next steps: a call to action

**The call is clear:** systemness is not an end state—it is the strategy that will define health system performance. Vizient’s 25 years of evidence-based research on high-performing organizations demonstrates that sustained performance is driven by shared purpose, leadership alignment, clear accountability, and disciplined collaboration. Together, these principles form an evidence-based roadmap enabling health systems to convert alignment into measurable gains in quality and safety—and accelerate their path to top performance.

### Engage as a system

To accelerate enterprise improvement, members are encouraged to participate in Vizient Member Networks as systems—not as individual entities.

- Amplify performance: Extend access to national leading practices, data and peer collaboration across every site and service line.
- Strengthen your mission: Leverage Vizient’s collective intelligence to drive measurable gains in cost, quality and market performance—delivering better outcomes for patients and communities.
- Scale what works: Use Vizient’s analytics, benchmarking and leadership forums to replicate proven models and translate aspiration into execution.

### Lead across disciplines

Systemness thrives when leaders from every domain—clinical, operational, financial and strategic—are at the same table. Member Networks create a interprofessional venue for that dialogue, enabling systems to:

- Align governance and strategy through shared frameworks and decision rights.
- Advance interdisciplinary collaboration that transforms performance variation into enterprise consistency.
- Build a culture of accountability grounded in transparency, trust and shared purpose.

### Evolve the conversation

**The journey to systemness is continuous.** Progress accelerates when leaders operate as one system—aligning people, processes, and data around a shared mission. The organizations highlighted here demonstrate that systemness is achieved through deliberate action, not aspiration. Vizient Member Networks provide the platform to accelerate this alignment, connecting leaders to proven practices, trusted benchmarks, and measurable improvement.

**Systemness isn’t a structure — it’s the strategy that’ll define health system performance for the next decade.**



Learn more about Vizient Member Networks [online](#) or contact [MemberNetworks@vizientinc.com](mailto:MemberNetworks@vizientinc.com).

Vizient, Inc. provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 65% of the nation’s healthcare providers. Vizient provides expertise, analytics, consulting services and a contract portfolio representing \$140 billion in annual customer purchasing volume to improve patient outcomes and lower costs.